

Why You Should *Never* Listen to Your Customers



By Stan Pohmer

It's not what you think! Don't abandon your customers — just know when to stop paying attention to their short-term needs and use your expertise to start looking toward the future.

Is Pohmer losing it again? *This* column headline, from the guy who has preached that your success is predicated on searching out and knowing your customers needs and wants and putting together assortments, programs, marketing initiatives and services that make you more relevant to them? Is he becoming business suicidal?

No.

I still firmly believe that your consumer reigns supreme, and everything you do must be centered on them. And you need to understand the innate behaviors driving their purchasing, their lifestyles, their motivators. You need to understand the psychological and economic trends that affect how they look at products and activities and how our products can better relate to them.

This headline actually came from a recent blog by Mark Cuban. Yes, the same Mark Cuban who made a fortune in high tech and owns the Dallas Mavericks. The same Mark Cuban who has a tendency to criticize basketball officiating, politics and other people's business decisions — he has an opinion on virtually everything!

“Innovation doesn't have to be an all-or-nothing proposition; you don't have to bet the farm on one new idea.”

There's a real distinction between reacting to short-term consumer trends and thinking faster and more effectively than your competition and being truly innovative. And that's the point of Cuban's blog: Customers can tell you what's broken in your business so that you can fix it, but most of them don't have the vision to tell you what they'll want in the future. And anticipating their future needs is what sets one apart of the rest of the pack and allows you to differentiate.

In our industry, the past few years have been focused on containing costs, increasing productivity and efficiencies, and reacting to an environment we couldn't directly control. Many of us were in a survival mode, and we were thinking more about the short term than the long term.

But there's hope and some indicators that we're headed toward some semblance of economic progress and recovery, albeit slower than any of us would like. Now is the time to start thinking about positioning for stronger differentiation and growth for the future.

Invent the Future

Technology guru Alan Kay said that “the best way to predict the future is to invent it.” You can survive and grow by being a little better than your competition and reacting to consumer trends just a little faster than your competition, but that won't deliver the breakthrough growth necessary to set you apart in the marketplace. Becoming a leader in your marketplace entails doing things that benefit your customer that your competition hasn't even thought about yet. (Your customer probably hasn't even identified that this is something they need yet either!) This is what we commonly refer to innovation. Being innovative helps you control your own destiny, rather than having someone else dictate it for you.

Wayne Gretzky, one of the leading scorers in NHL history, attributed his success not to seeing the puck's current location but to anticipating where the puck would be, consciously put himself into position, take the pass and score. He wasn't reactive; he was proactive. He made his own luck. He controlled his future and success. This should be your goal: to anticipate your customers' needs before they even realize what they are!

In his own brash, inimitable way, Mark Cuban succinctly sums up this whole idea of innovation and differentiation: “Part of every entrepreneur's job is to invent the future. I also call it ‘kicking your own ass.’ Someone is out there looking to put you out of business. Someone is always out there who thinks they have a better idea than you have. A better solution than you have. A better or more efficient product than you have. If there is someone out there who can ‘kick your ass’ by doing it better, it's part of your job as the owner of the company to stay ahead of them and ‘kick your own ass.’”

James Cameron, the creator of the blockbuster movie *Avatar*, is a classic example of innovative thinking. He adapted new technology in a way that others couldn't comprehend. The 3D concept wasn't new, but he anticipated that integrated production techniques and theater delivery systems

could change the way people appreciated movies. Then other companies started developing ways to expand the positive viewing experience, resulting in new TVs that used 3D technology, and retailers like Best Buy who jumped on the bandwagon received accolades from their customers for being innovative.

There's a distinct difference in reacting to change and creating or driving change. Reacting to change allows you to survive. Creating change and introducing innovation sets you apart from the competition and, done correctly, develops respect for your leadership, loyalty

and, as the innovator, incremental and more profitable sales from your consumer.

Innovation takes guts and fortitude, and carries some risk. But it allows you to control your own destiny rather than having someone dictate it for you. As Alan Kay said,

"the best way to predict the future is to invent it"...

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Read Mark Cuban's blog post here: www.blogmaverick.com

Take a Risk

Innovation doesn't come without risk. A lot of companies tried to introduce 3D movies in the past 25 years, but it didn't improve the theater experience, so they failed. Or maybe they were just too early: They had the right idea, but the technology just wasn't there yet. It wasn't until Cameron harnessed new technology that the consumer realized the benefits of this improved experience.

But innovation doesn't have to be an all-or-nothing proposition; you don't have to bet the farm on one new idea. If your innovative product, program or service is successful, it creates a halo effect with your customer that transcends the new individual initiative and positions you as a forward-thinking leader that is differentiated versus the competition. And if it fails, you've limited your exposure and your customer will generally give you credit for trying something new.

Stay Grounded

So where do these new, innovative ideas come from? First, you must realistically understand who you are as a business. Second, understand your customers (and the ones you aren't reaching but wish you could). Next, study and anticipate what your current and potential customers will need in the future, what changes in their lives and lifestyles will drive their future use and purchasing behaviors. Read the shelter magazines and consumer psychology and behavior studies. Study business models and the approaches of retailers outside our industry; analyze product and program innovations wherever you see them, then look for ways to apply them to your own business. You usually don't wake up one morning with your great new idea; it comes from painstaking effort, study and analysis.



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